

# Warrant Intercept Overview

By statute (140.855 RSMo), the Missouri Department of Revenue (DOR) in conjunction with the Office of Administration (OA) is authorized to intercept payments made to a vendor if the vendor owes taxes. The process to perform this intercept for delinquent sales, corporate, and/or employee withholding taxes is scheduled to be implemented in October 2004.

The warrant intercept process is summarized below:

1. DOR will identify debts eligible for the warrant intercept process.
2. Federal Employer Identification Number (FEIN)/Social Security Number (SSN) from DOR's tax systems will be matched with the taxpayer ID number on the SAM II vendor record.
3. If matching numbers are found, DOR will identify the appropriate 11-digit vendor number and create Receivable (RE) documents for the outstanding delinquent tax amounts to be interfaced into SAM II Financial.
4. DOR will update the Warrant Intercept Table (WINT) through an interface into SAM II. This will include the delinquent amount, vendor code and RE number.
5. When a state agency completes a SAM II payment voucher for a particular vendor and the automated disbursements cycle creates the corresponding check (AD) or EFT, the payment will edit against the WINT table. If the vendor has a WINT entry, a portion of or the whole payment to the vendor will be withheld from the payment to be issued.
6. The withheld/intercepted amount is shown on the check/EFT information that is sent to the vendor. The payment advice will instruct the vendor to contact DOR if they have questions. The different situations/notifications that may arise are listed below:
  - The vendor may receive a partial payment check. The vendor's payment advice will indicate that there was a warrant intercept for part of the payment.
  - The vendor's check may be reduced to \$0. The vendor will receive an advice similar to a voided check indicating the warrant intercept.
  - The vendor may receive an EFT for a partial payment or the EFT payment may be reduced to \$0. In all EFT cases, a separate paper advice will be created that will be mailed to the vendor indicating the warrant intercept.
7. Two Mobius reports (OFN474R1 and OFN474RM) will be created by OA listing the intercepted payments since there is no SAM II on-line table that indicates the payment has been partially or fully intercepted. The State Treasurer's Office on-line check inquiry system will also indicate if the payment was intercepted.
8. A Cash Receipt (CR) document is automatically created in SAM II when the payment voucher is intercepted. These CR documents will have a "WI" document prefix and will liquidate the corresponding RE. If the intercepted amount is for the total delinquency, SAM II will automatically close the RE when the CR is accepted into SAM II. If the intercepted amount does not completely pay off the RE, it will remain open with the balance due remaining. The amount intercepted is limited to the amount identified by



DOR on the WINT table. An interface file will provide information on these cash receipts back to DOR's tax systems.

9. DOR will post the CR's to appropriate accounts and notify the vendor of the intercept.
10. If agencies need to cancel a check, they should review the new Mobius reports first to determine if the check has been intercepted. If the check has been intercepted, the agency should contact DOR for approval to cancel the check
11. If the check cancellation is approved, DOR will complete an NF document and will process the appropriate transactions in their tax systems to reverse the cash receipt. Agencies will submit the supporting documentation to OA/Accounting who will process the CX document.